GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

STARRED QUESTION NO:255
ANSWERED ON:07.03.2003
IMPORT OF TEA FROM SRI LANKA
RAMESH CHENNITHALA

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

:

(a) whether India has entered into an agreement with Sri Lanka for import of tea into our country at 7.5 % import duty;

(b) if so, the details of such agreement;

(c) whether the agreement has endangered the interest of tea industry in the country especially in the Southern India;

(d) if so, whether the Government propose to re-negotiate with Sri Lanka in this regard; and

(e) if so, the details thereof?

Answer

MINISTER OF COMMERCE AND INDUSTRY (SHRI ARUN JAITLEY)

(a) to (e) : A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO. 255 FOR ANS ON 7TH MARCH, 2003, REGARDING IMPORT OF TEA FROM SRI LANKA

(a) to (b) Under the India-Sri Lanka Free Trade Agreement (FTA) signed in 1998, Sri Lanka has been allowed to export a Tariff Rate Quota(TRQ) of 15 million Kgs of tea annually to India at a preferential duty of 7.5%. The TRQ has been operationalised in May 2000 following a meeting held between the Government of India and the Government of Sri Lanka on 18-19th April, 2000.

(c) No sir. The Agreement has not endangered the interest of the tea industry in the country. Under the Agreement, Sri Lanka has been allowed to export to India 15 million kgs of tea annually, at 7.5% basic customs duty. During the year 2000 and 2001, 0.46million kgs and 0.31 million kgs of tea were imported from Sri Lanka, respectively, under the Free Trade Agreement. During January-December, 2002, 0.60 million kgs of tea has been imported under FTA from Sri Lanka.

(d) & (e) Does not arise.